Postal Regulatory Commission Submitted 3/13/2015 3:17:05 PM Filing ID: 91741 Accepted 3/13/2015

UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2014

Docket No. ACR2014

CHAIRMAN'S INFORMATION REQUEST NO. 14

(Issued March 13, 2015)

To clarify the Postal Service's FY 2014 Annual Performance Report (FY 2014 Report) and its FY 2015 Performance Plan (FY 2015 Plan),¹ the Postal Service is requested to provide written responses to the following questions and requests.

Answers should be provided to individual questions and requests as soon as they are developed, but no later than March 20, 2015.

- 1. Please refer to the performance measures on page 39 of the Annual Report. Will any of these performance measures—including FY 2015 targets, data sources, surveys, or calculation methodologies on which they are based—change during FY 2015? If yes, please describe planned change(s) for FY 2015 and specify:
 - a. The performance measure affected;
 - b. Whether the changes will directly impact the comparability between the
 FY 2015 and FY 2014 performance measure; and

¹ The FY 2014 Report and FY 2015 Plan are included in the Postal Service's 2014 Annual Report to Congress. See United States Postal Service 2014 Annual Report to Congress, December 29, 2014, at 37-45 (Annual Report); see also Library Reference USPS-FY14-17, December 29, 2014.

- c. The reasons for the FY 2015 changes to the performance measures, targets, data sources, surveys, or calculation methodologies and how this is an improvement over the current performance measurement methodology.
- 2. The Postal Service states: "Because the [FY 2013 Customer Experience Measurement] survey was offered to a random sample of the United States population, it included individuals who may not actually be customers. The new [Customer Insights (CI)] methodology is event driven, and this ensures that all feedback is reflective of actual customers." The Postal Service also states that for Delivery surveys, which are data sources for the CI composite measure, a "random sample of the population" is mailed a postcard survey invitation.³
 - a. Does the "random sample of the population" include individuals who may not actually be customers? If so, please explain how the new CI composite measure, which uses Delivery surveys as a data source, reflects feedback of actual customers.
- 3. In its reply comments regarding the FY 2014 Report and FY 2015 Plan, the Postal Service states that it modified the National Performance Assessment target after it published the FY 2014 Report and FY 2015 Plan.⁴ Has the Postal Service modified any other FY 2015 performance target listed on page 39 of the Annual Report? If so, please identify the performance measure(s) affected and the new target, and explain why these changes were made.

² United States Postal Service Responses to Questions 1-3 of Chairman's Information Request No. 11, March 3, 2015, question 3.

³ United States Postal Service Responses to Questions 1-5, 8 and 9 of Chairman's Information Request No. 5, February 10, 2015, question 5.b.

⁴ United States Postal Service Reply Comments Regarding FY 2014 Performance Report and FY 2015 Performance Plan, March 4, 2015, at 5.

- 4. The Postal Service notes that new contracts were issued to deploy over 3,800 Automated Postal Center (APC) kiosks to meet new payment card information requirements. Annual Report at 71.
 - a. Did the Postal Service replace all APC kiosks active at the end of FY 2013 with new APC kiosks that meet secure payment card information requirements? If not, please identify when the Postal Service expects that all active APC kiosks will meet secure payment card information requirements.
 - b. The Postal Service reports that at the end of FY 2014, there were 2,843 Automated Postal Center kiosks and "there are no plans for further additions this year." Do the number of kiosks on page 71 of the Annual Report (over 3,800) and Responses to CHIR No. 1, question 17 (2,843) differ because the Postal Service plans on increasing APC kiosks by this difference (957) in FY 2015? If not, please discuss why these two figures differ.
- 5. Please refer to the table provided in Responses to CHIR No. 1, question 18.
 - a. Please explain why FY 2014 revenue for APC kiosks decreased by more than 15 percent between FY 2013 and FY 2014.
 - b. Please define the types of retail channels contained in the "Other" category under the "Channel" column.
 - c. Please explain how the "Other" retail channels differ in terms of retail services offered compared to the other retail channels listed in the table.

⁵ Responses of the United States Postal Service to Questions 1-2, 3a-b, 3d, 4, 6, 7a-e, 8-9, and 11-21 of Chairman's Information Request No. 1, January 16, 2015, question 17 (Responses to CHIR No. 1).

- 6. One of the FY 2014 strategic initiatives is "Building the Workforce of the Future." Annual Report at 73. In a recent Government Accountability Office report, the Postal Service identifies three performance measures and their FY 2014 targets related to this strategic initiative.⁶
 - a. Please provide the FY 2014 performance results for the following performance measures:
 - i. Average training hours per employee
 - ii. Average annual turnover rate for non-career employees
 - iii. Average annual turnover rate of external hires
 - b. Did the Postal Service develop FY 2015 performance targets for the three performance measures listed under question 6.a.? If so, please specify the FY 2015 performance target values. If not, please discuss reasons why no FY 2015 performance targets were developed.
- 7. Did the Postal Service meet the "Provide Excellent Customer Experiences" performance goal in FY 2014? If yes, please explain how it met this performance goal, and include the value obtained and how it was measured. See 39 U.S.C. § 2804(d)(1). If not, please explain why this performance goal was not met and the plans and schedules for achieving this performance goal in FY 2015. Id. § 2804(d)(3). In either case, please cite to specific pages in the FY 2014 Report and FY 2015 Plan (pages 37 to 45 of the Annual Report) that support the response to this question. Please also cite specific pages in the Annual Report where the Postal Service describes planned FY 2015 customer performance improvement efforts and how it will measure these efforts in FY 2015.

⁶ General Accounting Office, U.S. Postal Service, Status of Workforce Reductions and Related Planning Efforts, GAO-15-43 (November 13, 2014) at 29.

8. Please file the FY 2014 results and the FY 2015 targets for competitive products, including Express Mail, Priority Mail, and Parcel Select.

By the Acting Chairman.

Robert G. Taub